

FOREIGN ASSISTANCE ACT OF 1971

DECEMBER 17, 1971.—Ordered to be printed

Mr. MORGAN, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany S. 2819]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2819) to provide foreign military and related assistance authorizations for fiscal year 1972, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

That this Act may be cited as the "Foreign Assistance Act of 1971".

FOOD-FOR-PEACE PROGRAM

Sec. 2. It is the sense of the Congress that funds to administer the food-for-peace program should not be reduced as the result of any reduction in the authorizations provided to carry out the Foreign Assistance Act of 1961.

PART I—ECONOMIC ASSISTANCE

DEVELOPMENT LOAN FUND

Sec. 101. Title I of chapter 2 of part I of the Foreign Assistance Act of 1961, relating to the Development Loan Fund, is amended as follows:

(a) *In section 202(a), relating to authorization—*

(1) *strike out "and \$350,000,000 for the fiscal year 1971" and insert in lieu thereof "\$350,000,000 for the fiscal year 1971, \$250,000,000 for the fiscal year 1972, and \$250,000,000 for the fiscal year 1973"; and*

- (2) strike out "and June 30, 1971" and insert in lieu thereof "June 30, 1971, June 30, 1972, and June 30, 1973".
- (b) In section 203, relating to fiscal provisions, strike out "and for the fiscal year 1971" and insert in lieu thereof ", for the fiscal year 1971, for the fiscal year 1972, and for the fiscal year 1973".
- (c) In section 209, relating to multilateral and regional programs—
- (1) strike out subsection (a) and insert in lieu thereof the following: "(a) The Congress recognizes that the planning and administration of development assistance by, or under the sponsorship of the United Nations, multilateral lending institutions, and other multilateral organizations may contribute to the efficiency and effectiveness of that assistance through participation of other donors in the development effort, improved coordination of policies and programs, pooling of knowledge, avoidance of duplication of facilities and manpower, and greater encouragement of self-help performance.";
- (2) insert at the end thereof the following new subsections:
- "(c) Notwithstanding any other provision of law, the President should reduce the amounts and numbers of loans made by the United States directly to individual foreign countries with the objective of reducing the total amount of bilateral loans made under this Act so that, by not later than June 30, 1975, such total amount shall not exceed \$100,000,000.
- "(d) In furtherance of the provisions of subsection (a) of this section, any funds appropriated under this part I may be transferred by the President to the International Development Association, The International Bank for Reconstruction and Development, the International Finance Corporation, the Asian Development Bank or other multilateral lending institutions and multilateral organizations in which the United States participates for the purpose of providing funds to enable any such institution or organization to make loans to foreign countries."; and
- (3) strike out of subsection (b) "REGIONAL PROGRAMS.—".
- (d) Section 205, relating to transfers to international financial institutions, is repealed.

TECHNICAL COOPERATION AND DEVELOPMENT GRANTS

SEC. 102. Title II of chapter 2 of part I of the Foreign Assistance Act of 1961, relating to technical cooperation and development grants, is amended as follows:

- (a) In section 212, relating to authorization, strike out "\$183,500,000 for the fiscal year 1970, and \$183,500,000 for the fiscal year 1971" and insert in lieu thereof "\$175,000,000 for the fiscal year 1972, and \$175,000,000 for the fiscal year 1973".
- (b) In section 214(c), relating to authorization for American schools and hospitals abroad, strike out "for the fiscal year 1970, \$25,900,000, and for the fiscal year 1971, \$12,900,000" and insert in lieu thereof "for the fiscal year 1972, \$30,000,000, and for the fiscal year 1973, \$30,000,000".

(c) At the end of such title II, add the following new section:

"SEC. 220A. SUEZ CANAL.—The President is authorized to furnish financial assistance, on such terms and conditions as he may determine, for assisting in the reopening of the Suez Canal after agreement has

been reached by the parties involved, which agreement provides for the use of the Canal by the ships of all nations, including Israel, on a nondiscriminatory basis. For the purpose of carrying out this section, there are authorized to be appropriated not to exceed \$10,000,000 in Egyptian pounds now owned by the United States and determined by the President to be excess to the normal requirements of departments and agencies of the United States. Amounts appropriated under this section are authorized to remain available until expended."

HOUSING GUARANTEES

SEC. 103. Title III of chapter 2 of part I of the Foreign Assistance Act of 1961, relating to housing guaranties, is amended as follows:

(a) In section 221, strike out "\$130,000,000" and insert in lieu thereof "\$205,000,000".

(b) In section 223(i), strike out "June 30, 1972" and insert in lieu thereof "June 30, 1974".

OVERSEAS PRIVATE INVESTMENT CORPORATION

SEC. 104. Title IV of chapter 2 of part I of the Foreign Assistance Act of 1961, relating to the Overseas Private Investment Corporation, is amended as follows:

(a) In the first proviso of section 238(c), relating to definitions, strike out "required by law to be".

(b) At the end of section 239, relating to general provisions and powers, add the following new subsection:

"(g) Except for the provisions of this title, no other provision of this or any other law shall be construed to prohibit the operation in Yugoslavia or Romania of the programs authorized by this title, if the President determines that the operation of such program in such country is important to the national interest."

(c) Section 240(h), relating to agricultural credit and self-help community development projects, is amended by striking out "June 30, 1972" and inserting in lieu thereof "June 30, 1973".

ALLIANCE FOR PROGRESS

SEC. 105. Section 252(a) of title VI of chapter 2 of part I of the Foreign Assistance Act of 1961, relating to authorization for the Alliance for Progress, is amended—

(1) by striking out "for the fiscal year 1970, \$428,250,000, and for the fiscal year 1971, \$428,250,000" and inserting in lieu thereof "for the fiscal year 1972, \$295,000,000, and for the fiscal year 1973, \$295,000,000"; and

(2) by striking out "\$90,750,000" and inserting in lieu thereof \$88,500,000".

PROGRAMS RELATING TO POPULATION GROWTH

SEC. 106. Section 292 of title X of chapter 2 of part I of the Foreign Assistance Act of 1961, relating to authorization, is amended to read as follows:

"SEC. 292. AUTHORIZATION.—Of the funds provided to carry out the provisions of this part I for each of the fiscal year 1972 and 1973, \$125,000,000 shall be available in each such fiscal year only to carry

out the purposes of this title, and, notwithstanding any other provisions of this Act, funds used for such purposes may be used on a loan or grant basis."

INTERNATIONAL ORGANIZATION AND PROGRAMS

SEC. 107. Section 302 of chapter 3 of part I of the Foreign Assistance Act of 1961, relating to authorization, is amended as follows:

(a) In subsection (a), strike out "for the fiscal year 1970, \$122,620,000, and for the fiscal year 1971, \$122,620,000" and insert in lieu thereof "for the fiscal year 1972, \$138,000,000 and for the fiscal year 1973, \$138,000,000".

(b) In subsection (b) (2)—

(1) strike out "for use in the fiscal year 1970, \$7,530,000, and for use in the fiscal year 1971, \$7,530,000" and insert in lieu thereof "for use in the fiscal year 1972, \$15,000,000, and for use in the fiscal year 1973, \$15,000,000"; and

(2) add at the end thereof the following new sentence: "The President shall not exercise any special authority granted to him under section 610(a) or 614(a) of this Act to transfer any amount appropriated under this paragraph to, and to consolidate such amount with, any funds made available under any other provision of this Act."

(c) In subsection (e), strike out "\$1,000,000 for the fiscal year 1970 and \$1,000,000 for the fiscal year 1971" and insert in lieu thereof "\$1,000,000 for the fiscal year 1972 and \$1,000,000 for the fiscal year 1973".

(d) At the end of such section 302, add the following new subsection:

"(f) There are authorized to be appropriated to the President, in addition to other amounts available for such purposes, \$1,000,000 for the fiscal year 1972 and \$1,000,000 for the fiscal year 1973, in Egyptian pounds owned by the United States and determined by the President to be excess to the requirements of departments and agencies of the United States, for the purpose of providing technical and vocational training and other assistance to Arab refugees. Amounts appropriated under this subsection are authorized to remain available until expended."

CONTINGENCY FUND

SEC. 108. Section 451(a) of chapter 5 of part I of the Foreign Assistance Act of 1961, relating to the contingency fund, is amended by striking out "for the fiscal year 1970 not to exceed \$15,000,000, and for the fiscal year 1971 not to exceed \$30,000,000" and inserting in lieu thereof "for the fiscal year 1972 not to exceed \$30,000,000, and for the fiscal year 1973 not to exceed \$30,000,000".

INTERNATIONAL NARCOTICS CONTROL AND REFUGEE RELIEF ASSISTANCE

SEC. 109. Part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new chapters:

"CHAPTER 8—INTERNATIONAL NARCOTICS CONTROL

"SEC. 481. INTERNATIONAL NARCOTICS CONTROL.—It is the sense of the Congress that effective international cooperation is necessary to

put an end to the illicit production, trafficking in, and abuse of dangerous drugs. In order to promote such cooperation, the President is authorized to conclude agreements with other countries to facilitate control of the production, processing, transportation, and distribution of narcotic analgesics, including opium and its derivatives, other narcotic drugs and psychotropics and other controlled substances as defined in the Comprehensive Drug Abuse Prevention and Control Act of 1970 (Public Law 91-513). Notwithstanding any other provision of law, the President is authorized to furnish assistance to any country or international organization, on such terms and conditions as he may determine, for the control of the production of, processing of, and traffic in, narcotic and psychotropic drugs. In furnishing such assistance the President may use any of the funds made available to carry out the provisions of this Act. The President shall suspend economic and military assistance furnished under this or any other Act, and shall suspend sales under the Foreign Military Sales Act and under title I of the Agricultural Trade Development and Assistance Act of 1954, with respect to any country when the President determines that the government of such country has failed to take adequate steps to prevent narcotic drugs and other controlled substances (as defined by the Comprehensive Drug Abuse Prevention and Control Act of 1970) produced or processed, in whole or in part, in such country, or transported through such country, from being sold illegally within the jurisdiction of such country to United States Government personnel or their dependents, or from entering the United States unlawfully. Such suspension shall continue until the President determines that the government of such country has taken adequate steps to carry out the purposes of this chapter.

“CHAPTER 9—REFUGEE RELIEF ASSISTANCE

“SEC. 491. REFUGEE RELIEF ASSISTANCE.—There is authorized to be appropriated to the President for the fiscal year 1972, in addition to funds otherwise available for such purpose, not to exceed \$250,000,000, to remain available until expended, for use by the President in providing assistance for the relief and rehabilitation of refugees from East Pakistan and for humanitarian relief in East Pakistan. Such assistance shall be distributed, to the maximum extent practicable, under the auspices of and by international institutions and relief agencies or United States voluntary agencies.”.

PART II—MILITARY ASSISTANCE

SEC. 201. Part II of the Foreign Assistance Act of 1961, relating to military assistance, is amended as follows:

- (a) In section 504(a), relating to authorization, strike out “\$350,000,000 for the fiscal year 1970, and \$350,000,000 for the fiscal year 1971” and insert in lieu thereof “\$500,000,000 for the fiscal year 1972”.*
- (b) In section 505(b)(2), relating to conditions of eligibility, strike out “and” and insert in lieu thereof “or”.*
- (c) Section 505(e), relating to conditions of eligibility, is repealed.*
- (d) In section 506(a), relating to special authority—*
 - (1) strike out “1970 and the fiscal year 1971” and insert in lieu thereof “1972”; and*

(2) strike out "each of the fiscal years 1970 and 1971" and insert in lieu thereof "the fiscal year 1972".

(e) Section 507(a), relating to restrictions on military aid to Latin America, is amended to read as follows: "(a) Except as otherwise provided in this section, the value of defense articles furnished by the United States Government under this Act to Latin American countries shall not exceed \$10,000,000. Not to exceed \$25,000,000 in value of defense articles may be furnished under this part on a cost-sharing basis to an inter-American military force under the control of the Organization of American States."

(f) At the end of chapter 2 of such part II, add the following new sections:

"SEC. 511. CONSIDERATIONS IN FURNISHING MILITARY ASSISTANCE.—Decisions to furnish military assistance made under this part shall take into account whether such assistance will—

"(1) contribute to an arms race;

"(2) increase the possibility of outbreak or escalation of conflict; or

"(3) prejudice the development of bilateral or multilateral arms control arrangements.

"SEC. 512. MILITARY ASSISTANCE ADVISORY GROUPS AND MISSIONS.—(a) It is the sense of Congress that the need for large United States military assistance advisory groups and military aid missions in foreign countries has diminished substantially during the last few years. In the words of the Peterson Task Force Report on International Development, 'The United States now can reduce its supervision and advice to a minimum, thus encouraging progress toward self-reliance. United States military missions and advisory groups should be consolidated with other elements in our overseas missions as soon as possible.'

"(b) In accordance with the provisions of subsection (a) of this section, the total number of United States military personnel assigned and detailed, as of September 30, 1971, to United States military assistance advisory groups, military missions, and other organizations of the United States performing activities similar to such groups and missions, shall be reduced by at least 15 per centum by September 30, 1972, but every effort should be made to effect an aggregate reduction of 25 per centum by September 30, 1972.

"SEC. 513. MILITARY ASSISTANCE AUTHORIZATIONS FOR THAILAND.—After June 30, 1972, no military assistance shall be furnished by the United States to Thailand directly or through any other foreign country unless that assistance is authorized under this Act or the Foreign Military Sales Act.

"SEC. 514. SPECIAL FOREIGN COUNTRY ACCOUNTS.—(a) Except as otherwise provided in this section, no defense article may be given, and no grant of military assistance may be made, under this Act to a foreign country unless the country agrees—

"(1) to deposit in a special account established by the United States Government the following amounts of currency of that country:

"(A) in the case of any excess defense article to be given to that country, an amount equal to 10 per centum of the fair value of the article, as determined by the Secretary of State, at the time the agreement to give the article to the country is made; and

“(B) in the case of a grant of military assistance to be made to that country, an amount equal to 10 per centum of each such grant; and

“(2) to allow the United States Government to use such amounts from that special account as may be determined, from time to time, by the President to be necessary to pay all official costs of the United States Government payable in the currency of that country, including all costs relating to the financing of international educational and cultural exchange activities in which that country participates under the programs authorized by the Mutual Educational and Cultural Exchange Act of 1961.

“(b) The President may waive any amount of currency of a foreign country required to be deposited under subsection (a) (1) of this section if he determines that the United States Government will be able to pay all of its official costs payable in the currency of that country enumerated under subsection (a) (2) of this section without the deposit of such amount and without having to expend United States dollars to purchase currency of that country to pay such costs.

“(c) The provisions of this section shall not apply in any case in which an excess defense article is given, or a grant of military assistance is made—

“(1) to a foreign country under an agreement with that country which allows the United States Government to operate a military or other similar base in that country in exchange for that article or grant; and

“(2) to South Vietnam, Cambodia, or Laos.

“(d) In no event shall any foreign country be required, under this section, to make deposits in a special account aggregating more than \$20,000,000 in any one year.”.

SEC. 202. (a) At the end of such part II, add the following new chapter:

“CHAPTER 4—SECURITY SUPPORTING ASSISTANCE

“SEC. 531. GENERAL AUTHORITY.—The President is authorized to furnish assistance to friendly countries, organizations, and bodies eligible to receive assistance under this Act on such terms and conditions as he may determine, in order to support or promote economic or political stability. The authority of this chapter shall not be used to furnish assistance to more than twelve countries in any fiscal year.

“SEC. 532. AUTHORIZATION.—There is authorized to be appropriated to the President to carry out the purposes of this chapter for the fiscal year 1972 not to exceed \$618,000,000, of which not less than \$50,000,000 shall be available solely for Israel: Provided, That where commodities are furnished on a grant basis under this chapter under arrangements which will result in the accrual of proceeds to the Government of Vietnam from the sale thereof, arrangements should be made to assure that such proceeds will not be budgeted by the Government of Vietnam for economic assistance projects or programs unless the President or his representative has given prior written approval. Amounts appropriated under this section are authorized to remain available until expended. None of the funds authorized by this section shall be made available to the Government of Vietnam unless, beginning in Janu-

ary 1971, and quarterly thereafter, the President of the United States shall determine that the accommodation rate of exchange, and the rate of exchange for United States Government purchases of piasters for goods and services, between said Government and the United States is fair to both countries.

"SEC. 533. UNITED STATES REFUND CLAIMS.—It is the sense of the Congress that the President should seek the agreement of the Government of Vietnam to the establishment and maintenance of a separate special account of United States dollars, which account shall be available solely for withdrawals by the United States, at such times and in such amounts as the President may determine, in satisfaction of United States dollar refund claims against the Government of Vietnam arising out of operations conducted under this Act. Such account should be established in an amount not less than \$10,000,000 and maintained thereafter at a level sufficient to cover United States refund claims as they arise."

(b) Chapter 4 of part I of the Foreign Assistance Act of 1961 is hereby repealed. References to such chapter or any sections thereof shall hereafter be deemed to be references to chapter 4 of part II of the Foreign Assistance Act of 1961, as added by subsection (a) of this section, or to appropriate sections thereof. All references to part I of the Foreign Assistance Act of 1961 shall hereafter be deemed to be references also to chapter 4 of part II, and all references to part II of such Act shall be deemed not to include chapter 4 of such part II.

PART III—GENERAL AND ADMINISTRATIVE PROVISIONS

SEC. 301. Section 620 of chapter 1 of part III of the Foreign Assistance Act of 1961, relating to prohibitions against furnishing assistance, is amended by adding at the end thereof the following new subsections:

"(v) No assistance shall be furnished under this Act, and no sales shall be made under the Foreign Military Sales Act, to Greece. This restriction may be waived when the President finds that overriding requirements of the national security of the United States justify such a waiver and promptly reports such finding to the Congress in writing, together with his reasons for such finding. Notwithstanding the preceding sentence, in no event shall the aggregate amount of (1) assistance furnished to Greece under this Act, and (2) sales made to Greece under the Foreign Military Sales Act, in any fiscal year, exceed the aggregate amount expended for such assistance and such sales for the fiscal year 1971.

"(w) (1) All military, economic, or other assistance, all sales of defense articles and services (whether for cash or by credit, guaranty, or any other means), all sales of agricultural commodities (whether for cash, credit, or by other means), and all licenses with respect to the transportation of arms, ammunitions, and implements of war (including technical data relating thereto) to the Government of Pakistan under this or any other law shall be suspended on the date of enactment of this subsection.

"(2) The provisions of this subsection shall cease to apply when the President reports to the Congress that the Government of Pakistan is cooperating fully in allowing the situation in East Pakistan

to return to reasonable stability and that refugees from East Pakistan in India have been allowed, to the extent feasible, to return to their homes and to reclaim their lands and properties.

“(3) Nothing in this section shall apply to the provision of food and other humanitarian assistance which is coordinated, distributed, or monitored under international auspices.”.

SEC. 302. Section 624 of chapter 2 of part III of the Foreign Assistance Act of 1961, relating to statutory officers, is amended by adding at the end thereof the following new subsection:

“(e) In addition to the officers otherwise provided for in this section, The President shall appoint, by and with the advice and consent of the Senate, one officer for the purpose of coordinating security assistance programs.”.

SEC. 303. Section 637 (a) of chapter 2 of part III of the Foreign Assistance Act of 1961, relating to authorization for administrative expenses of the agency administering part I, is amended by striking out “for the fiscal year 1970, \$51,125,000, and for the fiscal year 1971, \$51,125,000” and inserting in lieu thereof “for the fiscal year 1972, \$50,000,000, and for the fiscal year 1973, \$50,000,000”.

SEC. 304 (a) (1) Section 652 of the Foreign Assistance Act of 1961, relating to miscellaneous provisions, is amended to read as follows:

“SEC. 652. LIMITATION UPON EXERCISE OF SPECIAL AUTHORITIES.— The President shall not exercise any special authority granted to him under section 506 (a) 610 (a), or 614 (a) of this Act unless the President, prior to the date he intends to exercise any such authority, notifies the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate in writing of each such intended exercise, the section of this Act under which such authority is to be exercised, and the justification for, and the extent of, the exercise of such authority.”

(2) The last sentence of section 506 (a) of such Act, relating to special authority, is repealed.

(3) The last sentence of section 634 (d) of such Act, relating to reports and information, is amended by striking out “610, 614 (a),” and inserting in lieu thereof “610 (b),”.

(b) Chapter 3 of part III of such Act is amended by adding at the end thereof the following new sections:

“SEC. 653. CHANGE IN ALLOCATION OF FOREIGN ASSISTANCE.—

(a) Not later than thirty days after the enactment of any law appropriating funds to carry out any provision of this Act (other than section 451 or 637), the President shall notify the Congress of each foreign country and international organization to which the United States Government intends to provide any portion of the funds under such law and of the amount of funds under that law, by category of assistance, that the United States Government intends to provide to each. Notwithstanding any other provision of law, the United States Government shall not provide to any foreign country or international organization any funds under that law which exceeds by 10 per centum the amount of military grant assistance or security supporting assistance, as the case may be, which the President notified the Congress that the United States Government intended to provide that country or organization under that law, unless the President (1) determines that it is in the security interests of the United States that such coun-

try or organization receive funds in excess of the amount included in such notification for that country or organization, and (2) reports to Congress, at least ten days prior to the date on which such excess funds are to be provided to that country or organization, each such determination, including the name of the country or organization to receive funds in excess of such per centum, the amount of funds in excess of that per centum which are to be provided, and the justification for providing the additional assistance.

"(b) The provisions of this section shall not apply in the case of any law making continuing appropriations and may not be waived under the provisions of section 614(a) of this Act.

"SEC. 654. PRESIDENTIAL FINDINGS AND DETERMINATIONS.—(a) In any case in which the President is required to make a report to the Congress, or to any committee or officer of either House of Congress, concerning any finding or determination under any provision of this Act, the Foreign Military Sales Act, or the Foreign Assistance and Related Programs Appropriation Act for each fiscal year, that finding or determination shall be reduced to writing and signed by the President.

"(b) No action shall be taken pursuant to any such finding or determination prior to the date on which that finding or determination has been reduced to writing and signed by the President.

"(c) Each such finding or determination shall be published in the Federal Register as soon as practicable after it has been reduced to writing and signed by the President. In any case in which the President concludes that such publication would be harmful to the national security of the United States, only a statement that a determination or finding has been made by the President, including the name and section of the Act under which it was made, shall be published.

"(d) No committee or officer of either House of Congress shall be denied any requested information relating to any finding or determination which the President is required to report to the Congress, or to any committee or officer of either House of Congress, under any provision of this Act, the Foreign Military Sales Act, or the Foreign Assistance and Related Programs Appropriation Act for each fiscal year, even though such report has not yet been transmitted to the appropriate committee or officer of either House of Congress.

"SEC. 655. LIMITATIONS UPON ASSISTANCE TO OR FOR CAMBODIA.—

(a) Notwithstanding any other provision of law, no funds authorized to be appropriated by this or any other law may be obligated in any amount in excess of \$341,000,000 for the purpose of carrying out directly or indirectly any economic or military assistance, or any operation, project, or program of any kind, or for providing any goods, supplies, materials, equipment, services, personnel, or advisers in, to, for, or on behalf of Cambodia during the fiscal year ending June 30, 1972.

"(b) In computing the \$341,000,000 limitation on obligation authority under subsection (a) of this section in fiscal year 1972, (1) there shall be included in the computation the value of any goods, supplies, materials, or equipment provided to, for, or on behalf of Cambodia in such fiscal year by gift, donation, loan, lease, or otherwise, and (2) there shall not be included in the computation the value of any goods, supplies, materials, or equipment attributable to the operations of the

Armed Forces of the Republic of Vietnam in Cambodia. For the purpose of this subsection, 'value' means the fair market value of any goods, supplies, materials, or equipment provided to, for, or on behalf of Cambodia but in no case less than 33 1/3 per centum of the amount the United States paid at the time such goods, supplies, materials, or equipment were acquired by the United States.

"(c) No funds may be obligated for any of the purposes described in subsection (a) of this section in, to, for, or on behalf of Cambodia in any fiscal year beginning after June 30, 1972, unless such funds have been specifically authorized by law enacted after the date of enactment of this section. In no case shall funds in any amount in excess of the amount specifically authorized by law for any fiscal year be obligated for any such purpose during such fiscal year.

"(d) The provisions of subsections (a) and (c) of this section shall not apply with respect to the obligation of funds to carry out combat air operations over Cambodia.

"(e) After the date of enactment of this section, whenever any request is made to the Congress for the appropriation of funds for use in, for, or on behalf of Cambodia for any fiscal year, the President shall furnish a written report to the Congress explaining the purpose for which such funds are to be used in such fiscal year.

"(f) The President shall submit to the Congress within thirty days after the end of each quarter of each fiscal year, beginning with the fiscal year which begins July 1, 1971, a written report showing the total amount of funds obligated in, for, or on behalf of Cambodia during the preceding quarter by the United States Government, and shall include in such report a general breakdown of the total amount obligated, describing the different purposes for which such funds were obligated and the total amount obligated for such purpose, except that in the case of the first two quarters of the fiscal year beginning July 1, 1971, a single report may be submitted for both such quarters and such report may be computed on the basis of the most accurate estimates the President is able to make taking into consideration all information available to him.

"(g) Enactment of this section shall not be construed as a commitment by the United States to Cambodia for its defense.

"SEC. 656. LIMITATIONS ON UNITED STATES PERSONNEL AND PERSONNEL ASSISTED BY UNITED STATES IN CAMBODIA.—The total number of civilian officers and employees of executive agencies of the United States Government who are citizens of the United States and of members of the Armed Forces of the United States (excluding such members while actually engaged in air operations in or over Cambodia which originate outside Cambodia) present in Cambodia at any one time shall not exceed two hundred. The United States shall not, at any time, pay in whole or in part, directly or indirectly, the compensation or allowances of more than eighty-five individuals in Cambodia who are citizens of countries other than Cambodia or the United States. For purposes of this section, 'executive agency of the United States Government' means any agency, department, board, wholly or partly owned corporation, instrumentality, commission, or establishment within the executive branch of the United States Government.

"SEC. 657. ANNUAL FOREIGN ASSISTANCE REPORT.—(a) In order that the Congress and the American people may be better and more currently informed regarding the volume and cost of assistance extended by the United States Government to foreign countries and international organizations, and in order that the Congress and the American people may be better informed regarding the sale of arms to foreign countries and international organizations by private industry of the United States, not later than December 31 of each year the President shall transmit to the Congress an annual report, for the fiscal year ending prior to the fiscal year in which the report is transmitted, showing—

"(1) the aggregate dollar value of all foreign assistance provided by the United States Government by any means to all foreign countries and international organizations, and the aggregate dollar value of such assistance by category provided by the United States Government to each such country and organization, during that fiscal year;

"(2) the total amounts of foreign currency paid by each foreign country or international organization to the United States Government in such fiscal year, what each payment was made for, whether any portion of such payment was returned by the United States Government to the country or organization from which the payment was obtained or whether any such portion was transferred by the United States Government to another foreign country or international organization, and, if so returned or transferred, the kind of assistance obtained by that country or organization with those foreign currencies and the dollar value of such kind of assistance;

"(3) the aggregate dollar value of all arms, ammunitions, and other implements of war, and the aggregate dollar value of each category of such arms, ammunitions, and implements of war, exported under any export license, to all foreign countries and international organizations, and to each such country and organization, during that fiscal year; and

"(4) such other matters relating to foreign assistance provided by the United States Government as the President considers appropriate, including explanations of the information required under clauses (1)–(3) of this subsection.

"(b) All information contained in any report transmitted under this section shall be public information. However, in the case of any item of information to be included in any such report that the President, on an extraordinary basis, determines is clearly detrimental to the security of the United States, he shall explain in a supplemental report why publication of each specific item would be detrimental to the security of the United States. A supplement to any report shall be transmitted to the Congress at the same time that the report is transmitted.

"(c) If the Congress is not in session at the time a report or supplement is transmitted to the Congress, the Secretary of the Senate and the Clerk of the House of Representatives shall accept the report or supplement on behalf of their respective Houses of Congress and present the report or supplement to the two Houses immediately upon their convening.

“(d) For purposes of this section—

“(1) ‘foreign assistance’ means any tangible or intangible item provided by the United States Government under this or any other law to a foreign country or international organization, including, but not limited to, any training, service, or technical advice, any item of real, personal, or mixed property, any agricultural commodity, United States dollars, and any currencies owned by the United States Government of any foreign country;

“(2) ‘provided by the United States Government’ includes, but is not limited to, foreign assistance provided by means of gift, loan, sale, credit sale, or guaranty; and

“(3) ‘value’ means value at the time of transfer except that in no case shall any commodity or article of equipment or material be considered to have a value less than one-third of the amount the United States Government paid at the time the commodity or article was acquired by the United States Government.

“SEC. 658. LIMITATION ON USE OF FUNDS.—(a) Except as otherwise provided in this section, none of the funds appropriated to carry out the provisions of this Act or the Foreign Military Sales Act shall be obligated or expended until the Comptroller General of the United States certifies to the Congress that all funds previously appropriated and thereafter impounded during the fiscal year 1971 for programs and activities administered by or under the direction of the Department of Agriculture, the Department of Housing and Urban Development, and the Department of Health, Education and Welfare have been released for obligation and expenditure.

“(b) The provisions of this section shall not apply—

“(1) to funds being withheld in accordance with specific requirements of law; and

“(2) to appropriations obligated or expended prior to April 30, 1972.”

(c) (1) Section 644(m) of such Act, relating to definitions, is amended by striking out—

“(m) ‘Value’ means—”

and inserting in lieu thereof—

“(m) ‘Value’ means, other than in section 657 of this Act—”

(2) Subsection (a) of section 634 of such Act, relating to reports and information, is repealed.

(3) The provisions of this subsection and section 657 of such Act, as added by subsection (b) of this Act, shall apply with respect to each fiscal year commencing on or after July 1, 1971.

PART IV—MISCELLANEOUS PROVISIONS

Sec. 401. The Foreign Military Sales Act is amended as follows:

(a) In section 31(a) of chapter 3, relating to authorization, strike out “\$250,000,000 for each of the fiscal years 1970 and 1971” and insert in lieu thereof “\$400,000,000 for the fiscal year 1972”.

(b) In section 31(b) of chapter 3, relating to aggregate ceiling on foreign military sales credits, strike out “\$340,000,000 for each of the fiscal years 1970 and 1971” and insert in lieu thereof “\$550,000,000 for fiscal year 1972, of which amount not less than \$300,000,000 shall be made available to Israel only”.

(c) In section 33(a) of chapter 3, relating to regional ceilings on foreign military sales, strike out "\$75,000,000" and insert in lieu thereof "\$100,000,000".

(d) Subsection (c) of section 33 of chapter 3, relating to regional ceilings on foreign military sales, is amended to read as follows:

"(c) The limitations of this section may not be waived pursuant to any authority contained in this or any other Act unless the President finds that overriding requirements of the national security of the United States justify such a waiver and promptly reports such finding to the Congress in writing, together with his reasons for such finding. In any case in which the limitations of this section are waived under the preceding sentence, the report required under such sentence shall set forth, in detail, the expenditures proposed to be made in excess of the geographical limitation applicable under this section. Notwithstanding the foregoing provisions of this subsection, in no event shall the aggregate of the total amount of military assistance pursuant to the Foreign Assistance Act of 1961, of cash sales pursuant to sections 21 and 22, of credits, or participations in credits, financed pursuant to section 23 (excluding credits covered by guaranties issued pursuant to section 24), of the face amount of contracts of guaranty issued pursuant to sections 24 (a) and (b), and of loans and sales in accordance with section 7307 of title 10, United States Code, exceed any geographical ceiling applicable under this section by more than an amount equal to 50 per centum of such ceiling."

(e) In section 42(a) of chapter 4, relating to general provisions—

(1) strike out "and" immediately before "(2)"; and

(2) immediately before the period at the end thereof insert the following: ", and (3) the extent to which such sale might contribute to an arms race, or increase the possibility of outbreak or escalation of conflict, or prejudice the development of bilateral or multilateral arms control arrangements".

(f) Section 42 of chapter 4, relating to general provisions, is amended as follows:

(1) In subsection (a), strike out "but consideration shall also be given" and insert in lieu thereof "but, subject to the provisions of subsection (b) of this section, consideration shall also be given".

(2) Redesignate subsections (b) and (c) as subsections (c) and (d), respectively, and, immediately after subsection (a), insert the following new subsection:

"(b) No credit sale shall be extended under section 23, and no guarantee shall be issued under section 24, in any case involving coproduction or licensed production outside the United States, of any defense article of United States origin unless the Secretary of State shall, in advance of any such transaction, advise the appropriate committees of the Congress and furnish the Speaker of the House of Representatives and the President of the Senate with full information regarding the proposed transaction, including, but not limited to, a description of the particular defense article or articles which would be produced under a license or coproduced outside the United States, the estimated value of such production or coproduction, and the probable

impact of the proposed transaction on employment and production within the United States.”.

SEC. 402. Section 8 of the Act of January 12, 1971, entitled “An Act to amend the Foreign Military Sales Act, and for other purposes” (84 Stat. 2053), is amended—

(1) by striking out the first and second sentences of subsection (a) and inserting in lieu thereof the following: “Subject to the provisions of subsection (b), the value of any excess defense article granted to a foreign country or international organization by any department, agency, or independent establishment of the United States Government (other than the Agency for International Development) shall be considered to be an expenditure made from funds appropriated under the Foreign Assistance Act of 1961 for military assistance. Unless such department, agency, or establishment certifies to the Comptroller General of the United States that the excess defense article it is ordering is not to be transferred by any means to a foreign country or international organization, when an order is placed for a defense article whose stock status is excess at the time ordered, a sum equal to the value thereof shall (1) be reserved and transferred to a suspense account, (2) remain in the suspense account until the excess defense article is either delivered to a foreign country or international organization or the order therefor is cancelled, and (3) be transferred from the suspense account to (A) the general fund of the Treasury upon delivery of such article, or (B) to the military assistance appropriation for the current fiscal year upon cancellation of the order.”;

(2) by striking out, in subsection (b), “\$100,000,000” and inserting in lieu thereof “\$185,000,000”; and

(3) by adding at the end thereof the following new subsection: “(e) Except for excess defense articles granted under part II of the Foreign Assistance Act of 1961, the provisions of this section shall not apply to any excess defense article granted to South Vietnam prior to July 1, 1972.”

SEC. 403. Paragraph (9) of section 5314 of title 5, United States Code, relating to level III of the Executive Schedule, is amended by inserting before the period at the end thereof the following: “and an Under Secretary of State for Coordinating Security Assistance Programs”.

SEC. 404. The first section of the Act of June 28, 1935, entitled “An Act to authorize participation by the United States in the Interparliamentary Union” (22 U.S.C. 276), is amended as follows:

(1) Strike out “\$53,550” and insert in lieu thereof “\$102,000”.

(2) Strike out “\$26,650” and insert in lieu thereof “\$57,000”.

(3) Strike out “\$26,900” and insert in lieu thereof “\$45,000”.

SEC. 405. Section 2 of the joint resolution entitled “Joint resolution to authorize participation by the United States in parliamentary conferences of the North Atlantic Treaty Organization”, approved July 11, 1956 (22 U.S.C. 1928b), is amended as follows:

(1) Strike out “\$30,000” and insert in lieu thereof “\$50,000”.

(2) Strike out “\$15,000” each place it appears and insert in lieu thereof in each such place “\$25,000”.

SEC. 406. Part IV of the Foreign Assistance Act of 1969 is amended as follows:

(1) Strike out the title of such part and insert in lieu thereof the following:

"PART IV—THE INTER-AMERICAN FOUNDATION ACT".

(2) The caption of section 401 and subsection (a) of such section of that part are amended to read as follows: "*INTER-AMERICAN FOUNDATION.—(a) There is created as an agency of the United States of America a body corporate to be known as the Inter-American Foundation (hereinafter in this section referred to as the 'Foundation').*"

(3) Section 401 of such part is amended by striking out "Institute" wherever it appears and inserting in lieu thereof "Foundation".

(4) Section 401(e)(4) of such part is amended to read as follows:

"(4) shall determine and prescribe the manner in which its obligations shall be incurred and its expenses, including expenses for representation (not to exceed \$10,000 in any fiscal year), allowed and paid;".

(5) Section 401(l) is amended to read as follows:

"(l)(1) The chief executive officer of the Foundation shall be a President who shall be appointed by the Board of Directors on such terms as the Board may determine. The president shall receive compensation at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

"(2) Experts and consultants, or organizations thereof, may be employed as authorized by section 3109 of title 5, United States Code."

SEC. 407. (a) It is the purpose of this section to enable the Congress generally, and the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives in particular, to carry out the purposes and intent of the Legislative Reorganization Acts of 1946 and 1970, with respect to—

(1) the analysis, appraisal, and evaluation of the application, administration, and execution of the laws relating to the Department of State and the United States Information Agency and of matters relating to the foreign relations of the United States; and

(2) providing periodic authorizations of appropriations for that Department and Agency.

(b) Section 15 of the Act entitled "An Act to provide certain basic authority for the Department of State", approved August 1, 1956 (22 U.S.C. 2680) is amended to read as follows:

SEC. 15. (a) Notwithstanding any other provision of law, no appropriation shall be made to the Department of State under any law for any fiscal year commencing on or after July 1, 1972, unless previously authorized by legislation hereafter enacted by the Congress.

"(b) The Department of State shall keep the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives fully and currently informed with respect to all activities and responsibilities within the jurisdiction of these committees. Any Federal department, agency, or independent establishment shall furnish any information requested by either such committee relating to any such activity or responsibility."

(c) *The last sentence of section 13 of Act (22 U.S.C. 2684) is repealed.*

(d) *Section 701 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1476) is amended to read as follows:*

"PRIOR AUTHORIZATIONS BY CONGRESS

"SEC. 701. Notwithstanding any other provision of law, no appropriation shall be made to the Secretary of State, or to any Government agency authorized to administer the provisions of this Act, under any law for any fiscal year commencing on or after July 1, 1972, unless previously authorized by legislation enacted by the Congress after the date of enactment of the Foreign Assistance Act of 1971."

SEC. 408. Section 7(a) of the Special Foreign Assistance Act of 1971 (84 Stat. 1942) is amended by striking out "Cambodian military forces" and inserting in lieu thereof "military, paramilitary, police, or other security or intelligence forces".

SEC. 409. Section 401(a) of Public Law 89-367, approved March 15, 1966 (80 Stat. 37), as amended, is amended—

(1) by inserting in the second sentence of paragraph (1), after "to or for the use of the Armed Forces of the United States", the following: "or of any department, agency, or independent establishment of the United States"; and

(2) by inserting in the introductory matter preceding clause (A) of paragraph (2) of such section, after "Armed Forces of the United States", the following: "or of any department, agency, or independent establishment of the United States".

SEC. 410. The Congress strongly urges the President to undertake such negotiations as may be necessary to implement that portion of the recommendations of the Report of the President's Commission for the Observance of the Twenty-fifth Anniversary of the United Nations (known as the "Lodge Commission") which proposes that the portion of the regular assessed costs to be paid by the United States to the United Nations be reduced so that the United States is assessed in each year not more than 25 per centum of such costs assessed all members of the United Nations for that year.

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill, and agree to the same.

*THOMAS E. MORGAN,
CLEMENT J. ZABLOCKI,
WAYNE L. HAYS,
DANTE B. FASCELL,
W. S. MAILLIARD,
PETER H. B. FRELINGHUYSEN,
WM. S. BROOMFIELD,
Managers on the Part of the House.
J. W. FULBRIGHT,
FRANK CHURCH,
GEORGE D. AIKEN,
JOHN SHERMAN COOPER,
CLIFFORD P. CASE,
Managers on the Part of the Senate.*

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2819) to provide foreign military and related assistance authorizations for fiscal year 1972, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendments struck out all of the Senate bill after the enacting clause and inserted a substitute text and provided a new title for the Senate bill, and the Senate disagreed to the House amendments.

The committee of conference recommends that the Senate recede from its disagreement to the amendment of the House to the text of the bill, with an amendment which is a substitute for both the text of the bill and the House amendment to the text of the bill. The committee of conference also recommends that the Senate recede from its disagreement to the amendment of the House to the title of the bill.

The differences between the text of the House bill and the substitute agreed to in conference are noted below, except for clerical corrections, and minor drafting and clarifying changes.

The Senate passed two foreign aid authorization bills. S. 2819 authorized \$1,503,000,000 for grant military assistance, supporting assistance, and foreign military credit sales for fiscal year 1972. S. 2820 authorized \$1,144,000,000 plus \$11,000,000 in Egyptian pounds for economic and humanitarian assistance for fiscal year 1972. The total of the two Senate bills for fiscal year 1972 was \$2,647,000,000 plus \$11,000,000 in Egyptian pounds.

The House amendment to both bills contained authorizations for economic, humanitarian, and military assistance for fiscal years 1972 and 1973. For fiscal year 1972 the economic part authorized \$1,428,350,000 plus \$1,000,000 in Egyptian pounds and the military part authorized \$2,015,000,000 for a total of \$3,443,350,000 plus \$1,000,000 in Egyptian pounds. The total for fiscal year 1973 was \$3,493,350,000 plus \$1,000,000 in Egyptian pounds.

The committee of conference agreed to a single bill that contains authorizations for economic and humanitarian assistance for fiscal years 1972 and 1973 and for military assistance only for fiscal year 1972. The total authorization for fiscal year 1972 is \$2,752,000,000 plus \$11,000,000 in Egyptian pounds. This is a reduction from the House figure of \$691,350,000 and an increase over the Senate figure of \$105,000,000.

Of the total authorization for fiscal year 1972, \$1,518,000,000 is for military assistance and \$1,234,000,000 is for economic and humanitarian assistance. For fiscal year 1973 the authorization for economic and humanitarian assistance is \$984,000,000. The reduction of \$250,000,000 for fiscal year 1973 reflects the fact that the authorization for Pakistan relief is limited to fiscal year 1972.

Except for clarifying, clerical, and necessary conforming changes, the differences between the two Houses and the adjustments made in the committee of conference are noted below:

AUTHORIZATION OF FUNDS—FOREIGN ASSISTANCE AUTHORIZATIONS

Program	Senate, fiscal year 1972	House		Conference agreement	
		Fiscal year 1972	Fiscal year 1973	Fiscal year 1972	Fiscal year 1973
Economic:					
Development loans.....	¹ \$250,000,000	² \$400,000,000	² \$450,000,000	⁷ \$250,000,000	⁷ \$250,000,000
Technical cooperation.....	175,000,000	183,500,000	183,500,000	175,000,000	175,000,000
Alliance for Progress.....	225,000,000	378,250,000	428,250,000	295,000,000	295,000,000
Loans.....	(150,000,000)	(287,500,000)	(337,500,000)	(206,500,000)	(206,500,000)
Grants.....	(75,000,000)	(96,750,000)	(90,750,000)	(88,500,000)	(88,500,000)
International organizations.....	138,000,000	143,000,000	143,000,000	138,000,000	138,000,000
Arab refugees (UNRWA).....	³ 1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Egyptian pounds.....	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Indus Basin.....	15,000,000	5,000,000	10,000,000	15,000,000	15,000,000
American schools.....	15,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Contingency fund.....	30,000,000	30,000,000	50,000,000	30,000,000	30,000,000
Pakistan refugees.....	250,000,000	100,000,000	.....	250,000,000	.....
Population.....	(⁴)	⁵ 100,000,000	⁵ 125,000,000	(⁴)	(⁴)
Administrative expenses.....	45,000,000	⁶ 57,600,000	⁶ 57,600,000	50,000,000	50,000,000
Suez Canal.....	⁷ (10,000,000)	(⁸)	(⁸)	⁷ (10,000,000)	⁷ (10,000,000)
Total, economic.....	1,144,000,000	1,428,350,000	1,478,350,000	1,234,000,000	984,000,000
Military:					
Grant military assistance.....	452,000,000	705,000,000	705,000,000	500,000,000	.....
Supporting assistance.....	566,000,000	800,000,000	800,000,000	618,000,000	.....
Israel.....	85,000,000	(⁹)	.....	¹⁰ (50,000,000)	.....
Military credit sales.....	¹¹ 400,000,000	510,000,000	510,000,000	400,000,000	.....
Total, military.....	1,503,000,000	2,015,000,000	2,015,000,000	1,518,000,000	.....
Grand total.....	¹² 2,647,000,000	¹² 3,443,350,000	3,493,350,000	¹² 2,752,000,000	¹² 984,000,000

¹ Repeals authority to request appropriations against sums previously authorized but unappropriated in fiscal years 1972 and 1973.
² Sums previously authorized but unappropriated are available for appropriations.
³ The Senate authorization for international organizations in S. 2820 was \$139,000,000 of which \$1,000,000 was for Arab refugees.
⁴ Earmarks \$125,000,000 of funds appropriated for pt. 1 for this program.
⁵ Also authorizes the use of additional pt. 1 funds for this program.
⁶ Plus the use of \$2,775,000 of pt. 1 funds.
⁷ In Egyptian pounds.
⁸ Open-ended authorization of an appropriation for use of Egyptian pounds owned by the United States.
⁹ The Committee on Foreign Affairs recommended (H. Rept. 92-380) that Israel be considered eligible to receive assistance under this program.
¹⁰ Earmarked from supporting assistance funds.
¹¹ Credit ceiling set at \$550,000,000, of which \$300,000,000 is earmarked for Israel.
¹² Plus \$11,000,000 in Egyptian pounds.
¹³ Plus \$1,000,000 in Egyptian pounds.

PUBLIC LAW 480 ADMINISTRATIVE COSTS

The Senate bill contained a provision which expressed the sense of Congress that administrative expenses of operating the P.L. 480 Food-for-Peace program not be reduced in any general reduction of foreign assistance.

The House amendment did not contain a comparable provision. The House receded.

USE OF RECEIPTS FROM DOLLAR LOANS

The Senate bill placed a \$200 million limitation on the use, in fiscal year 1972, of dollar receipts from loans made under the Mutual Security Act of 1954 and under Part I of the Foreign Assistance Act of 1961.

The House amendment authorized the use, in fiscal years 1972 and 1973, of dollar receipts from loans made under Part I of the Foreign Assistance Act of 1961 under the Mutual Security Act of 1954 and under predecessor foreign assistance legislation.

The Senate receded with an amendment striking that portion of the House language which would have authorized the use of dollar receipts from loans made under pre-1954 foreign assistance legislation.

CONCESSIONAL INTEREST RATES

The Senate bill required A.I.D. development loans (other than Alliance loans) to carry a rate of interest no less than the current interest rate paid by the United States on its outstanding obligations of comparable maturity.

The House amendment did not contain a comparable provision.
The Senate receded.

INTEREST RATE ON P.L. 480 LOANS

The Senate bill exempted loans made pursuant to Section 106(a) of the Agricultural Trade Development and Assistance Act of 1954 from an increase in interest rates proposed elsewhere in the Senate bill for bilateral loans funded under the Foreign Assistance Act.

The House amendment did not contain a comparable provision.
The Senate receded.

REPEAL OF CARRYOVER OF UNAPPROPRIATED AUTHORIZATIONS FOR DEVELOPMENT LOANS

The Senate bill amended Section 202(a) of the Act by striking the proviso which authorizes appropriation of amounts authorized for development loans for prior fiscal years during a specified period, but which remain unappropriated.

The House amendment did not contain a comparable provision.
The Senate receded.

PROHIBITION AGAINST DEVELOPMENT LOANS FOR SOUTH KOREAN
FISHING INDUSTRY

The Senate bill introduced an amendment to the development loan authority which would prohibit any loan to South Korea in connection with construction and operation of commercial fishing vessels, fish processing or the marketing of fish products.

The House amendment did not contain a comparable provision.
The Senate receded.

PHASE-OUT OF BILATERAL LENDING PROGRAMS

The Senate bill required phase-out of the bilateral loan program not later than June 30, 1975 and removed the 10% limitation on the transfer of economic assistance funds to multilateral organizations.

The House amendment did not contain a comparable provision.

The House receded with an amendment which changed the language of the Senate bill so as to request the President to reduce the number and amounts of bilateral loans with the objective of reducing such loans to the level of \$100 million by June 30, 1975. The amendment also deleted the Senate language which applied bilateral loan criteria to economic development funds transferred to multilateral organizations.

INDUS BASIN GRANTS AUTHORIZATION

The House amendment authorized appropriation of \$5 million for FY 1972 and \$10 million for FY 1973.

The Senate bill authorized appropriation of \$15 million for FY 1972 only.

The House receded with an amendment authorizing \$15 million for each of the fiscal years 1972 and 1973.

AMERICAN SCHOOLS AND HOSPITALS

The Senate bill provided an authorization of \$15,000,000, for this program for fiscal year 1972.

The House amendment authorized \$30,000,000 for each of the fiscal years 1972 and 1973.

The Senate receded.

EXCESS EGYPTIAN POUNDS FOR SUEZ CANAL REOPENING

The House amendment provided an authorization for the appropriation of such amounts of excess Egyptian pounds as are now owned by the United States for assistance in reopening the Suez Canal.

The Senate bill was the same except that the appropriation of excess Egyptian pounds authorized is limited to the equivalent of \$10,000,000.

The House receded.

HOUSING GUARANTY AUTHORITY

The House amendment increased present worldwide housing guaranty issuing authority from the present ceiling of \$130,000,000 to a new ceiling of \$230,000,000, an increase of \$100,000,000.

The Senate bill increased the ceiling to \$180,000,000, an increase of \$50,000,000.

The Committee of Conference agreed to increase the ceiling to \$205,000,000, an increase of \$75,000,000.

EXEMPTION FOR OPIC PROGRAMS

The Senate bill added a provision which would except OPIC programs from prohibitions against assistance contained in the Foreign Assistance Act or any other law applying to any country whenever the President determines that the operation of the OPIC program in such country is important to the national interest.

The House amendment did not contain a comparable provision.

The Committee of Conference agreed that the new authority provided in the proposed bill will be limited to authorize OPIC operations in Yugoslavia and Rumania.

CHANGE IN DEFINITION OF ELIGIBLE INVESTOR FOR OPIC PROGRAMS

The Senate bill changed the definition of "eligible investor" to delete the provision that the allowable less-than-5% foreign ownership of a U.S.-owned foreign corporation must be required by law in order for such corporation to be eligible for OPIC programs.

The House amendment did not contain a comparable provision.

The House receded.

SEPARATE AUTHORIZATION FOR POPULATION PROGRAMS

The Senate bill earmarked a total of \$125 million from any of the economic assistance funds contained in Part I of the Foreign Assistance Act for FY 1972.

The House amendment authorized as a separate line item appropriation of \$100 million in FY 1972 and \$125 million in FY 1973.

The House receded with an amendment which makes the earmarking authority apply to each of the fiscal years 1972 and 1973.

INTERNATIONAL NARCOTICS CONTROL

The Senate bill authorized the President to furnish assistance to any foreign country in order to encourage and enable that country to control or eliminate the production, processing or distribution of drugs within or across its boundaries; earmarked for drug control assistance \$25,000,000 annually from funds provided under the Foreign Assistance Act of 1961, as amended; required an annual Presidential determination before furnishing any assistance to any country of whether that country has taken appropriate measures to control the illicit drug trade; provided for the cessation of all assistance to any country determined not to have taken appropriate measures and the seeking of international economic sanctions against

such country; and provided Presidential waiver authority based on a finding of overriding national interest with a requirement for full reporting to the Congress on determinations and waivers.

The House amendment authorized the President to conclude drug control agreements with other countries and to furnish assistance to any country or international organization for drug control purposes; provided for the use of any of the funds made available under the Foreign Assistance Act of 1961, as amended, for drug control assistance; and required the President to suspend assistance whenever he determines that a country has failed to take appropriate steps to prevent the illicit drug trade.

The Senate receded.

REQUIREMENT FOR PL-480 SECTION 104(c) AGREEMENTS

The Senate bill eliminated the requirement currently contained in section 505(e) of the Foreign Assistance Act of 1961, as amended, that military assistance recipients enter into agreements permitting the use for security assistance purposes of foreign currencies accruing to the U.S. from PL 480 sales.

The House amendment contained no comparable provision.

The House receded.

MILITARY ASSISTANCE AUTHORIZATION

The Senate bill authorized military assistance of \$452 million for fiscal year 1972.

The House amendment provided an authorization of \$705 million for each of the fiscal years 1972 and 1973.

The Committee of Conference agreed to a \$500 million authorization for fiscal year 1972 only.

MAP TRAINING RESTRICTION

The House amendment repealed Section 510 of the Foreign Assistance Act, which limits the number of foreign military students to be trained in the United States in any fiscal year to the number of foreign students brought to the United States under the Mutual Educational and Cultural Exchange Act of 1961 in the immediately preceding fiscal year.

The Senate bill contained no comparable provision.

The House receded. The Committee of Conference agreed that the possibility of changing this limitation to some basis such as a man-month ratio rather than the present man-for-man basis should be studied.

MILITARY ASSISTANCE FOR LATIN AMERICAN COUNTRIES AND ORGANIZATION OF AMERICAN STATES

The Senate bill amends section 507(a) of the Foreign Assistance Act of 1961, as amended, by establishing a ceiling of \$10 million for the furnishing of defense articles on a bilateral basis to Latin American countries, and \$25 million for defense articles furnished on a cost-sharing basis to an inter-American military force under the control of the Organization of American States.

The House amendment did not contain a comparable provision.
The House receded.

25 PERCENT REDUCTION IN PERSONNEL ASSIGNED TO MILITARY ASSISTANCE ADVISORY GROUPS AND MISSIONS

The Senate bill contained a provision which would require at least a 25% reduction in the personnel to United States military assistance advisory groups, military missions and other U.S. organizations performing similar activities by September 30, 1972.

The House amendment did not contain a comparable provision.

The House accepted the Senate provision with an amendment reducing the mandatory reductions to 15 percent and urging that every effort be made to meet the 25 percent goal.

CONSIDERATIONS IN FURNISHING MILITARY ASSISTANCE

The House amendment contained a provision requiring that decisions to furnish military assistance take into account whether such assistance will: (1) contribute to an arms race, (2) increase the possibility of outbreak or escalation of conflict or (3) prejudice the development of bilateral or multilateral arms control arrangements.

The Senate bill contained no comparable provision.

The Senate receded.

LIMITATIONS OF AVAILABILITY OF FUNDS FOR MILITARY OPERATIONS

The Senate bill contained a provision which prohibited the provision of funds for the purpose of financing any military operations by foreign forces in Laos, North Vietnam, or Thailand unless Congress has specifically authorized or specifically authorizes the making of funds available for such purpose and designates the area where military operations financed by such funds may be undertaken.

The House amendment did not contain a comparable provision.

The Senate receded.

MILITARY ASSISTANCE AUTHORIZATION FOR THAILAND

The Senate bill contained a provision which would require the transfer of authorizations for military assistance programs for Thailand from the Department of Defense to the Foreign Assistance Act of 1961, as amended.

The House amendment did not contain a comparable provision.

The House accepted the Senate provisions with the understanding that assistance programmed for Thailand prior to the date specified in Section 513 and which is in the "pipeline" at that time may be provided regardless of when the Defense articles are actually delivered or the Defense services actually rendered.

NEW SECTION 514 ON "SPECIAL FOREIGN COUNTRY ACCOUNTS"

The Senate bill contained a provision which required the establishment of special foreign country accounts, in which any government receiving grant military assistance would deposit an amount equal to

25% of the value of such assistance and allow the United States Government to use such amounts to pay all official costs of the United States Government payable in the currency of that country, including all costs relating to the financing of international and educational cultural exchange programs authorized by existing legislation. This provision would not apply if the President determined that the U.S. was able to pay all such costs without the deposit of such currency and without having to expend U.S. dollars to purchase such currency. It would also not apply in any case in which military assistance is given to a foreign country under an agreement which allows the United States Government to operate a military or other similar base in that country in exchange for such assistance. The funds deposited in such special accounts would be available for expenditure without additional appropriations.

The House amendment did not contain a comparable provision.

The House accepted the Senate provision with an amendment which reduced the percentage amount required to be deposited to 10 percent and specifically excluded from the requirement military assistance provided to South Vietnam, Cambodia and Laos; and required deposits by South Korea to be made only for military assistance provided under the authority of the Foreign Assistance Act of 1961, as amended.

TRANSFER OF SUPPORTING ASSISTANCE TO PART II OF THE FOREIGN ASSISTANCE ACT

The House amendment contained a provision which transferred supporting assistance from Part I, economic assistance, to Part II, military assistance, and renamed the chapter "Security Supporting Assistance."

The Senate bill contained no comparable provision.

The Senate receded.

SUPPORTING ASSISTANCE AUTHORIZATION

The House amendment authorized the appropriation of \$800 million for Security Supporting Assistance for each of the fiscal years 1972 and 1973.

The Senate bill authorized the appropriation of \$566 million for Supporting Assistance, and provides an additional separate authorization of \$85 million for Israel, for FY 1972.

The Committee of Conference agreed to an authorization of \$618 million, \$50 million of which was earmarked to be available for Israel only.

PROPOSED CHANGES TO SECTION 620(e)

The Senate bill required suspension of assistance to a country which seizes property in a manner heretofore prescribed by the Hickenlooper amendment immediately upon such seizure and would permit resumption of assistance only when the President is satisfied that such country has "discharged its obligations under international law . . . including speedy compensation."

The House amendment did not contain a comparable provision.

The Senate receded.

PROHIBITION ON AID TO COUNTRIES FAILING TO SUPPORT PRISONER
OF WAR CONVENTION

The Senate bill added a new subsection (v) to section 620 of the Foreign Assistance Act prohibiting assistance to any country which the President determines has failed to support actively the provisions of the 1949 Geneva Convention Relative to the Treatment of Prisoners of War.

The House amendment did not contain a comparable provision.
The Senate receded.

PROHIBITION ON ASSISTANCE TO GREECE

The House amendment added a new subsection (v) to Section 620 of the Foreign Assistance Act directing that no assistance be furnished under the Foreign Assistance Act, and no sales be made under the Foreign Military Sales Act, to Greece until the President finds that overriding requirements of the national security of the United States justify a waiver of this prohibition and promptly reports such finding to the Congress in writing with reasons for such finding. The House amendment further provided that in no event shall the aggregate amount of assistance and sales made to Greece in any fiscal year exceed the aggregate amount expended for such assistance and sales for the fiscal year 1971.

The Senate bill did not contain a comparable provision.
The Senate receded.

SUSPENSION OF ASSISTANCE TO PAKISTAN

The Senate bill included a provision suspending all assistance to Pakistan relating to military services, all licenses with respect to the transportation of arms, ammunitions, and implements of war, as well as to economic assistance, other military assistance, and sales of agricultural commodities. The provision of humanitarian assistance and related services was not affected.

The House amendment applied a ban similar to that of the Senate bill, except for sales of defense services and military-related licenses.
The House receded.

COORDINATOR FOR SECURITY ASSISTANCE

The House amendment provides for a Security Assistance Coordinator at Executive Level III in the Department of State.

The Senate bill contains no comparable provision.
The Senate receded.

USE OF PART I FUNDS FOR STATE DEPARTMENT ADMINISTRATIVE COSTS
RELATED TO FOREIGN AID

The House amendment added to the Foreign Assistance Act a new subsection 637(c), which authorizes the use of up to \$2,755,000 in program funds for Administrative Expenses—including \$155,000 for State Department expenses—for each of the fiscal years 1972 and 1973, to cover the cost of the January 1971 Federal pay raise during those fiscal years.

The Senate bill contained no comparable provision.
The House receded.

CARRYOVER OF UNAPPROPRIATED FY 1972 AUTHORIZATION

The House amendment provided that amounts authorized but not appropriated for FY 1972 may be carried over and appropriated in FY 1973.

The Senate bill did not contain a comparable provision.
The House receded.

LIMITATIONS UPON EXERCISE OF SPECIAL AUTHORITIES

The Senate bill contained a provision which would prevent the President from exercising the special authorities granted him under section 506(a), 610(a) or 614(a) of the Foreign Assistance Act of 1961, as amended, unless he gives the Congress ten days notice prior to the date he intends to exercise these authorities.

The House amendment did not contain a comparable provision.

The House receded with an amendment which struck out the ten days but retained the requirement for advance notice. It was the understanding of the Committee of Conference that, while not specifying the number of days, the advance notice should not just be immediately contemporaneous with the use of these authorities.

COUNTRY-BY-COUNTRY ALLOCATIONS

The Senate bill contained a provision which would require the President within thirty days after foreign assistance funds have been appropriated to notify Congress of the amount and category of assistance which will be provided to every foreign country and international organization. Thereafter, the President would be restricted from increasing by more than ten percent the amount of assistance to any country in any category set forth in such notification unless he should find the increase vital to the national security and reported his decision to Congress at least ten days in advance of providing the funds. The provision would also prevent the use of Section 614(a) waiver authority to avoid the requirements of the section.

The House amendment contained no comparable provision.

The House receded with an amendment which made the transfer provision applicable only to military and related security assistance and allowed the requirements to be waived when it was "in the security interests" of the U.S. rather than "vital" to those interests.

NEW SECTION 654 ON "PRESIDENTIAL FINDINGS AND DETERMINATIONS"

The Senate bill contained a provision which provided that no action could be taken on any Presidential finding or determination until such time as that finding or determination has been reduced to writing and signed by the President.

The House version contained no comparable provision.
The House receded.

LIMITATIONS ON ASSISTANCE TO CAMBODIA

The Senate bill contained a provision which limited expenditure to, in, or for Cambodia to \$341 million for fiscal year 1972 and imposed a ceiling of 200 U.S. personnel and 50 third country nationals that could be present at any one time in Cambodia.

The House amendment contained no comparable provisions.

The House accepted the Senate provisions with amendments which specifically excluded from the computation related to the ceiling for fiscal year 1972 the obligation or expenditure of funds attributable to the operation of the Armed Forces of the Republic of Vietnam in Cambodia and raised to 85 the ceiling on third country nationals that are permitted in Cambodia at any one time.

The Committee of Conference was in full agreement that additional congressional controls over U.S.-financed operations in Cambodia should be exercised. Therefore, it is intended that U.S. expenditures in, to, or in behalf of Cambodia in the future will continue to be subjected to limitations and ceilings. It is expected that for fiscal year 1973 and future years the Administration will provide Congress with a full and accurate estimate of the projected expenditures for all U.S.-financed operations in Cambodia, including the U.S.-paid portion of the cost of South Vietnamese military operations so that future authorizations and ceilings may be intelligently imposed.

AMENDMENTS TO SECTION 33(A) RELATING TO LATIN AMERICAN REGIONAL CEILINGS

The Senate bill established a \$100 million annual ceiling on military assistance and sales to Latin America. It repealed the President's authority to waive the regional ceilings established by section 33 of the Foreign Military Sales Act. It also eliminates the President's authority to waive regional ceilings.

The House amendment establishes a ceiling of \$150 million on such sales and assistance and amended the President's waiver authority so that regional ceilings may be exceeded by not more than 50%.

The Committee of Conference agreed to accept the Senate ceiling of \$100 million and the House waiver authority allowing an amount up to 50 percent of the approved ceiling when overriding requirements of the national security exist.

FOREIGN MILITARY CREDIT SALES

The Senate bill contained a provision which would authorize \$400 million in new obligational authority for military credit sales for FY 1972 and would set the ceiling on military credits at \$550 million for FY 1972, of which \$300 million was to be available only for Israel.

The House amendment authorized \$510 million for purposes of the Foreign Military Sales Act in each of the fiscal years 1972 and 1973. It also increased the aggregate ceiling on military credits from \$340 million to \$582 million for each of the fiscal years 1972 and 1973.

The House recessed.

EXTENSION OF PERIOD FOR REPAYMENT OF FOREIGN MILITARY
CREDIT SALES

The House amendment increased the maximum period of military credits from 10 to 20 years.

The Senate bill contained no comparable provision.
The House receded.

CEILING ON EXCESS DEFENSE ARTICLES

The Senate bill contained provisions which: provided that excess defense articles furnished by any U.S. agency (other than the Agency for International Development) would be considered as having been furnished under the Foreign Assistance Act of 1961 for military assistance; established a ceiling of \$150 million on the value of such excess defense articles; and exempted from the ceiling excess defense articles granted to South Vietnam prior to July 1, 1972, under authority of laws other than Part II, military assistance, of the Foreign Assistance Act of 1961.

The House amendment established only a \$220 million ceiling on the value of excess defense articles that could be furnished during fiscal year 1972.

The House accepted the Senate provisions with an amendment which provided for a ceiling of \$185 million.

CONSIDERATIONS FOR FOREIGN MILITARY CREDIT SALES

The House amendment contained a provision requiring that decisions to provide foreign military credit sales take into account whether such assistance will: (1) contribute to an arms race, (2) increase the possibility of outbreak or escalation of conflict or (3) prejudice the development of bilateral or multilateral arms control arrangements.

The Senate bill contained no comparable provision.
The Senate receded.

REPORTING REQUIREMENTS FOR LICENSED CO-PRODUCTION

The House amendment contained a provision which required the Secretary of State to report in advance to the House and Senate proposed transactions relating to defense articles which would be co-produced or licensed outside the United States.

The Senate bill contained no comparable provision.
The Senate receded.

AMENDMENT TO THE EXECUTIVE SCHEDULE

The House amendment amends Section 5314 of Title 5, USC (Executive Schedule) to provide for an Under Secretary of State for Coordinating Security Assistance Programs at level III.

The Senate bill has no comparable provisions.
The Senate receded.

AUTHORIZATION FOR U.S. PARTICIPATION IN THE INTERPARLIAMENTARY UNION

The House amendment increased the authorization for annual appropriations from \$53,550 to \$83,000—\$38,000 for the U.S. contribution to the Interparliamentary Union and \$45,000 to cover expenses of the American group of the Interparliamentary Union.

The Senate bill authorized appropriation of \$102,000—\$57,000 as a contribution to the Union and \$45,000 for the expenses of the American group.

The House recessed.

AUTHORIZATION FOR U.S. PARTICIPATION IN THE INTERPARLIAMENTARY CONFERENCES OF NATO

The House amendment increased the authorization for annual appropriations for U.S. participation in parliamentary conferences of the North Atlantic Treaty Organization from \$30,000 to \$50,000, thereby increasing the amount available for the House and Senate from \$15,000 to \$25,000 each.

The Senate bill did not contain a comparable provision.

The Senate recessed.

USE OF FOREIGN CURRENCIES BY CONGRESSIONAL COMMITTEES

The Senate bill amended Section 502(b) of the Mutual Security Act of 1954, effective March 1, 1972, by increasing U.S.-owned excess foreign currency normally made available to members of Congressional committees for foreign currency expenses incurred in carrying out the duties of the committee. It would eliminate the requirement for a full, itemized report to the House Administration and Senate Appropriations Committees of expenses thus incurred and for the publication of such reports.

The House amendment did not contain a comparable provision

The Senate recessed.

ANNUAL FOREIGN ASSISTANCE REPORT

The Senate bill added a new Section 653 to the Foreign Assistance Act requiring an annual report to the Congress within six months of the end of each fiscal year, showing (1) the value of all foreign assistance provided during the fiscal year, in total and by category to each country or international organization; (2) the amount and reason for each payment of foreign currency to the United States during the fiscal year by each country and international organization, whether any portion was returned by the United States and, if so, how much and used for what purpose; (3) the value of all military equipment exported under license, in total and to each country or international organization; and (4) other matters pertaining to U.S. foreign aid programs. All the information is to be unclassified except on an extraordinary finding of clear detriment to U.S. security.

Foreign assistance is defined as anything provided by the U.S. Government by gift, loan, sale, credit sale, or guaranty to a foreign country or international organization, including any training, service, advice, property, agricultural commodity, dollars or foreign currencies. Value is to be determined as of the time of transfer, but may not be less than one-third of acquisition cost.

The House amendment did not contain a comparable provision.
The House receded.

LIMITATION ON USE OF FUNDS—IMPOUNDED FUNDS

The Senate bill included a provision which would prohibit the obligation or expenditure of funds made available under the FAA and the Foreign Military Sales Act until the Comptroller General certifies to the Congress that previously appropriated FY 1971 funds for various domestic development activities have been released for obligation and expenditure. The provision would not apply to funds withheld in accordance with legal requirements or to funds obligated or expended prior to January 1, 1972.

The House amendment did not contain a comparable provision.

The House receded with an amendment which limits the release of funds requirement to programs administered by the Department of Agriculture, the Department of Housing and Urban Development and the Department of Health, Education and Welfare. The amendment also changes the release deadline from January 1, 1972 to April 30, 1972.

ANNUAL AUTHORIZATIONS FOR STATE DEPARTMENT AND USIA

The Senate bill contained a provision requiring authorization for any subsequent appropriation of funds for the Department of State and the United States Information Agency, and repealed the authorization for the Department of State working capital fund, with the objective of putting these authorizations on an annual basis. The provision also required the State Department to keep the Senate Foreign Relations Committee and the House Foreign Affairs Committee "fully and currently informed with respect to all activities and responsibilities within the jurisdiction of these committees of all departments, agencies, and independent establishments of the United States Government conducted outside the United States or its territories or possessions." It also required that any such department, agency or independent establishment furnish any information requested by either committee within its jurisdiction.

The House amendment did not contain a comparable provision.

The House receded with an amendment which substituted "periodic" for "annual" authorizations, deleted the reference to the activities of "all departments, agencies, and independent establishments of the United States Government conducted outside the United States or its territories or possessions" but retained the language of the Senate bill requiring the Department of State to keep the Committee on Foreign Relations and the Committee on Foreign Affairs fully and currently informed "with respect to all activities and responsibilities within the jurisdiction of these committees."

TERMINATION OF U.S. MILITARY OPERATIONS IN INDOCHINA

The Senate bill contained a provision which would declare it to be the policy of the United States to terminate military operations in Indochina and withdraw all U.S. military forces no later than six months after the date of enactment, subject to the release of American POWs held by the Government of North Vietnam and its allies. The provision would also urge and request the President to implement this policy by establishing a final date for withdrawal, contingent upon POW release, but not later than six months after enactment. The President would also be requested to negotiate an immediate all Indochina cease-fire, and to negotiate an agreement with North Vietnam for phased withdrawal of U.S. forces in exchange for phased releases of POWs.

The House amendment contained no comparable provision.
The Senate receded.

LIMITATIONS ON UNITED STATES ACTIVITIES IN CAMBODIA

The Senate bill amended section 7(a) of the Special Foreign Assistance Act of 1971 to prohibit the provision of U.S. advisors to or for Cambodian military, paramilitary, police or other security or intelligence forces in Cambodia.

The House amendment contained no comparable provision.
The House receded.

RESTRICTION RELATING TO FOREIGN TROOPS AND DEFENSE ARTICLES

The Senate bill contained provisions which (1) expanded current prohibitions against the payment of allowance to free world forces in Vietnam greater than amounts paid Americans to include any U.S. agency, not just the Defense Department, and (2) expanded the requirement for agreements concerning the use and disposition of U.S. furnished defense articles to cover items furnished by all U.S. agencies.

The House amendment did not contain a comparable amendment.
The House receded.

REDUCTION IN U.S. ASSESSMENT RATE PAID TO UN

The Senate bill urged the President to implement that portion of the recommendations in the Lodge Commission Report which proposes that the U.S. assessed contribution to the regular budget of the United Nations be reduced to no more than 25% of the cost assessed to all members of the organization for any single budget year.

The House amendment did not contain a comparable provision.
The House receded.

ANNUAL AUTHORIZATIONS FOR ALL CONTRIBUTIONS TO THE UNITED NATIONS

The Senate bill terminated the continuing authority provided in the UN Participation Act of 1945 for the appropriation of funds for U.S. assessed contributions to the UN. It also provided that no appro-

priation shall be made for the payment of any amount to any activity of the United Nations, "unless such payment has been previously authorized by legislation hereinafter enacted by the Congress."

The House amendment did not contain a comparable provision.

The Senate recessed.

THOMAS E. MORGAN,
CLEMENT J. ZABLOCKI,
WAYNE L. HAYS,
DANTE B. FASCELL,
W. S. MAILLIARD,
PETER H. B. FRELINGHUYSEN,
WM. S. BROOMFIELD,
Managers on the Part of the House.

J. W. FULBRIGHT,
FRANK CHURCH,
GEORGE D. AIKEN,
JOHN SHERMAN COOPER,
CLIFFORD P. CASE,
Managers on the Part of the Senate.

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